

State Board of Education

*Missouri Department of
Elementary and
Secondary Education*



*"Making a positive difference through
education and service"*

EXECUTIVE SUMMARY



Fiscal Year 2007



Missouri Department of Elementary and Secondary Education

— Making a positive difference through education and service —

January 17, 2006

To the General Assembly:

The Department of Elementary and Secondary Education's Fiscal Year 2007 Budget Request reflects our commitment to work with you in the continuation of education as a top priority in Missouri. The state's budget challenges are less significant than recent years, but there are still many pressures for limited resources.

We are pleased to report another strong year of continued progress on the Key Outcomes identified within our Strategic Plan. The underlying strength of our mission, along with committed, although smaller, staff throughout the organization, have enabled us to achieve positive results.

It is our pleasure to present our Budget Request for FY 2007. The Executive Summary provides a snapshot of our request, delineates the relationship of the request to our Strategic Plan, and highlights some of the results we hope to achieve.

As we look to the future, we see a Department that continues to meet the needs of its customers through consistent focus on Key Outcomes and Objectives and timely achievement of performance measures, which we have set to gauge our success.

We appreciate your continued support.

Sincerely,

A handwritten signature of D. Kent King in dark ink, written in a cursive style.

D. Kent King

Table of Contents

ITEM	Page No.
Department's Mission Statement.....	1
Distribution of House Bill 2 Funding	2-4
Distribution of Department Budget by Funding Source.....	5
Governor's Recommended Increase Summary	6-20
Key Outcome I	7-12
Key Outcome II	13-15
Key Outcome III	16-18
Key Outcome IV	19-20
Department Operations	21-24
Department Efficiency Report.....	25-26
FY2007 Core Adjustments	27-28

Missouri Department of Elementary and Secondary Education

“Making a positive difference through education and service”

The Department of Elementary and Secondary Education is a team of dedicated individuals working for the continuous improvement of education and services for all citizens. We believe that we can make a positive difference in the quality of life for all Missourians by providing exceptional service to students, educators, schools and citizens.

We provide leadership and promote excellence. We

- * Champion high-quality public education
- * Advocate equity for every learner
- * Develop school leaders and other educational team members
- * Establish standards that demand excellence and build a solid foundation for lifelong learning, workplace skills and citizenship
- * Evaluate program and policy effectiveness
- * Share best practices
- * Carryout programs with the least administrative burden and cost
- * Assist persons with disabilities by providing individualized support and services
- * Create a caring workplace that fosters teamwork and personal and professional growth

We promise to greatly exceed customers' expectations. We

- * Listen to those we serve in order to improve our operations and adapt to changing needs
- * Forge partnerships to improve our services
- * Value each employee's contribution to achieving this mission

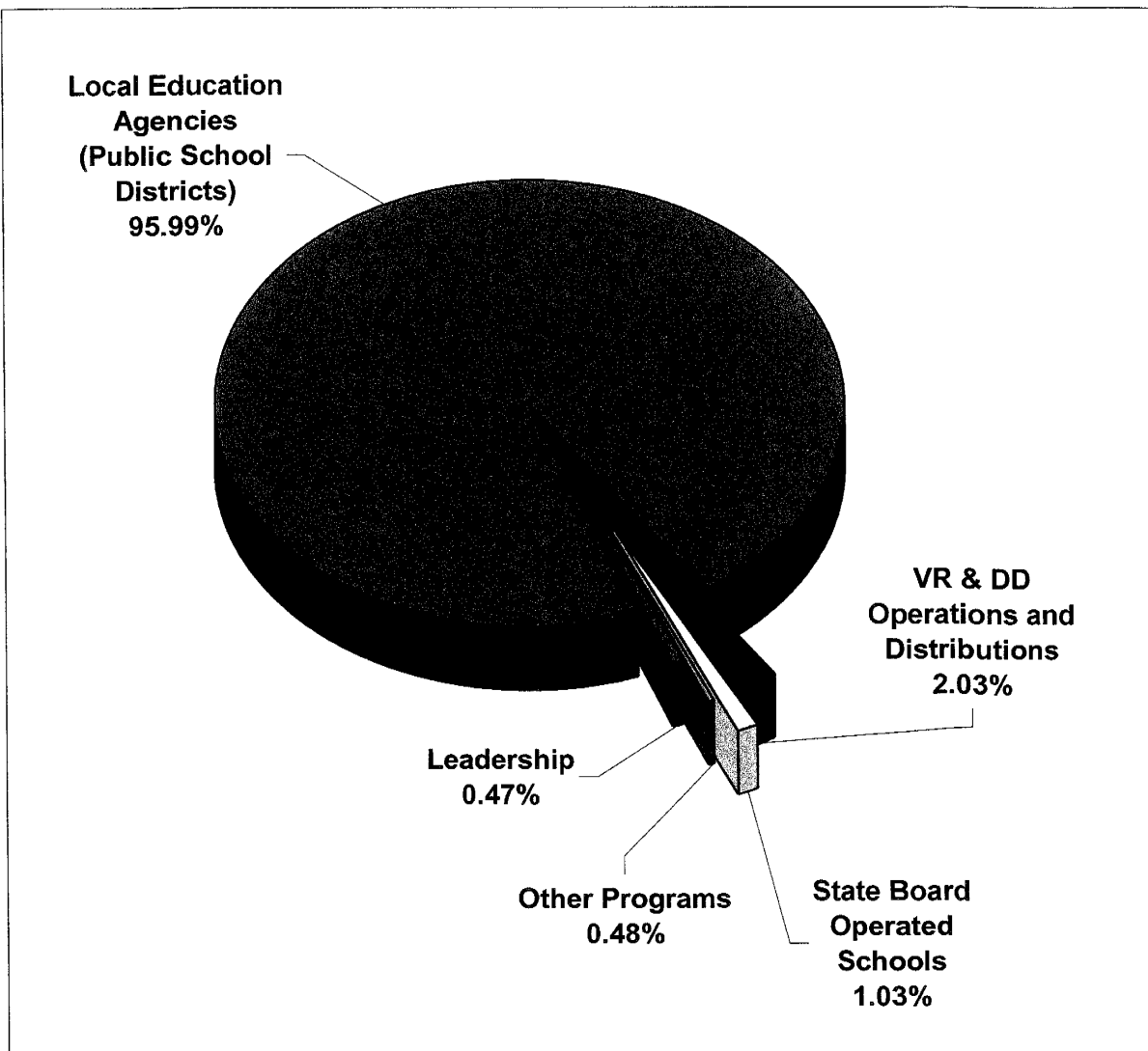
DEPARTMENT OF ELEMENTARY AND SECONDARY EDUCATION
DISTRIBUTION OF HOUSE BILL 2 FUNDING
FY2007 BUDGET SUMMARY OF GOVERNOR'S RECOMMENDATION

Total Budget Request			Funds	% of Total	FTE
Local Education Agencies (LEA) – Public School Districts			\$4,837,109,179	95.99%	0.00
VR & DD Operations and Distributions			\$102,081,358	2.03%	645.95
State Board Operated Schools			\$51,803,898	1.03%	852.85
Leadership					
	General Administration	\$3,926,218			
	Excellence in Education	\$2,939,102			
	Four Divisions Operations	\$16,814,137	\$23,679,457	0.47%	324.66
Department Wide			\$0	0.00%	0.00
Other Programs			\$24,283,665	0.48%	17.00
TOTAL			\$5,038,957,557	100.00%	1,840.46

LEA Breakdown:			Funds	% of Total	FTE
Local Education Agencies – Public School Districts					
Foundation	Equity Formula	\$2,701,597,891			
	Small Schools Program	\$15,000,000			
	Special Needs (Line 14)	\$0			
	TOTAL		\$2,716,597,891	56.16%	0.00
Other Flow Through	School District Trust Fund (Prop C)	\$770,300,000			
	Fair Share (Cigarette Tax)	\$0			
	Co. Foreign Insurance Tax (Free Textbook)	\$0			
	TOTAL		\$770,300,000	15.93%	0.00
Categoricals	Transportation	\$162,067,713			
	Special Education	\$0			
	Remedial Reading	\$0			
	Early Childhood Special Education	\$96,311,209			
	Gifted Education	\$0			
	Career Ladder	\$37,284,374			
	Career Education	\$52,880,428			
	Parents-As-Teachers	\$32,304,651			
	TOTAL		\$380,848,375	7.87%	0.00
Federal Programs			\$862,983,230	17.84%	0.00
Other School Programs			\$94,379,683	1.95%	0.00
Desegregation			\$12,000,000	0.25%	0.00
Total - LEA Breakdown			\$4,837,109,179	100.00%	0.00

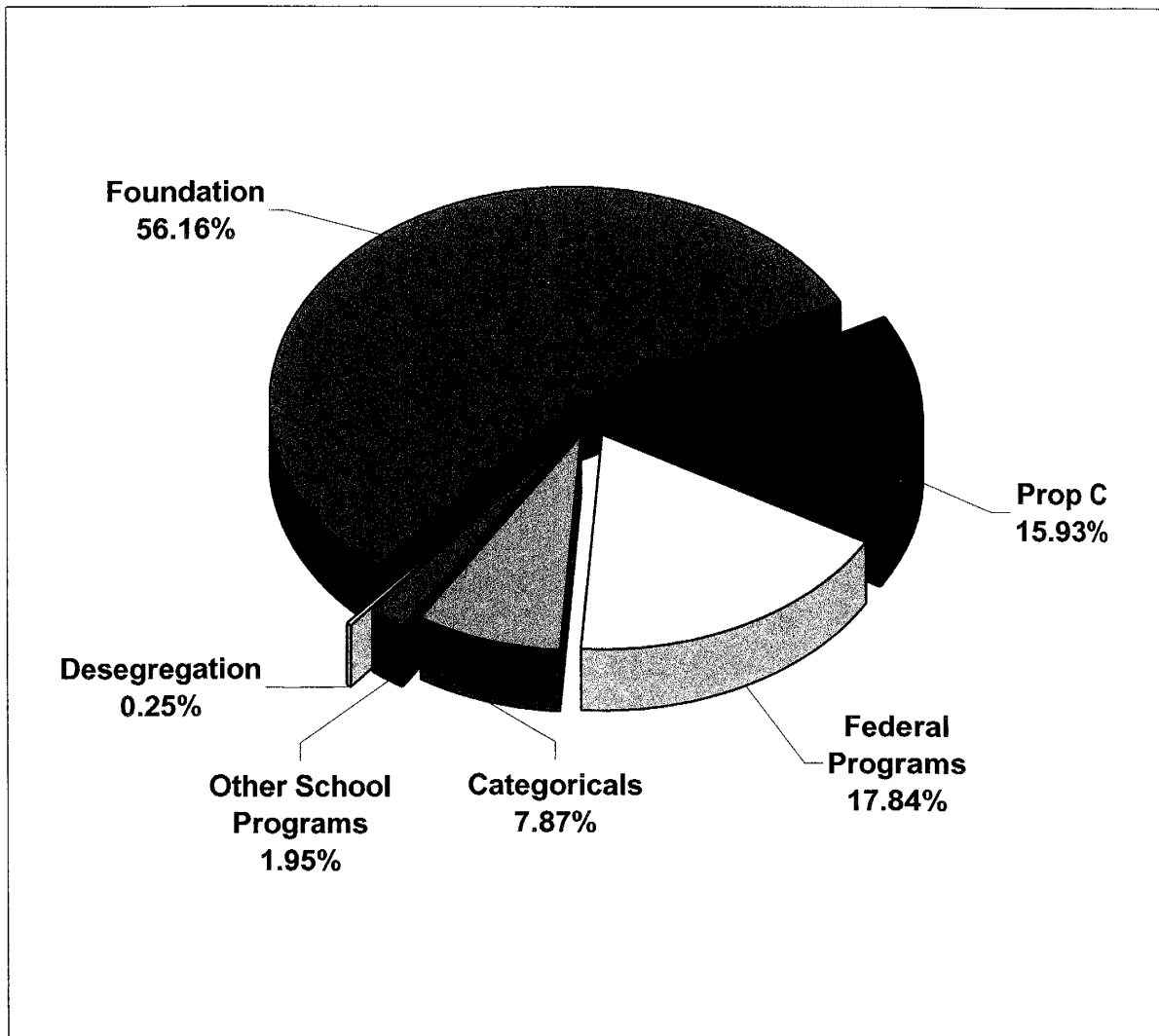
**DEPARTMENT OF ELEMENTARY AND SECONDARY EDUCATION
FY2007 BUDGET
SUMMARY OF GOVERNOR'S RECOMMENDATION**

\$5,038,957,557



**DEPARTMENT OF ELEMENTARY AND SECONDARY EDUCATION
FY2007 BUDGET
SUMMARY OF GOVERNOR'S RECOMMENDATION**

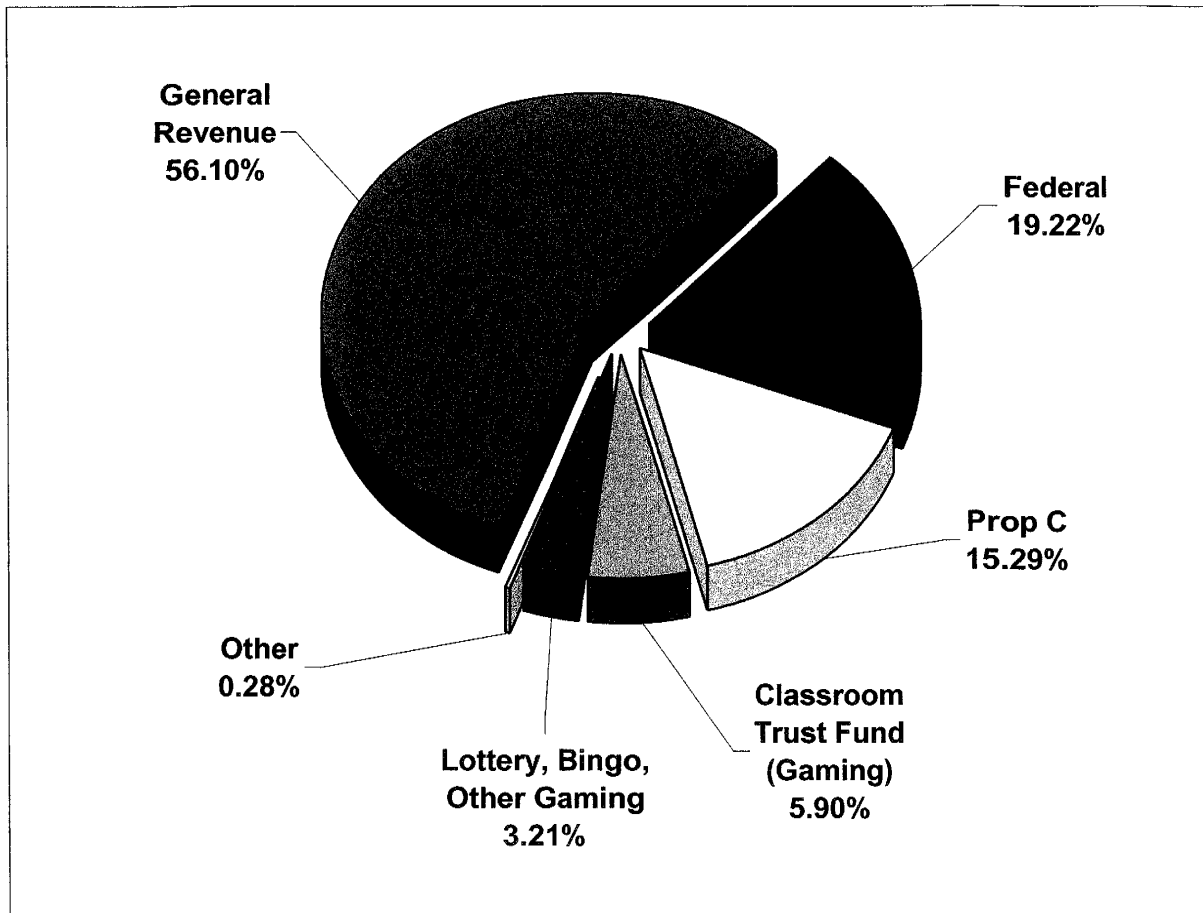
***DISTRIBUTION TO PUBLIC SCHOOL DISTRICTS
\$4,837,109,179***



NOTE: Pursuant to SB 287, 2005, the new formula combines the FY2006 funding for Equity, Line 14, Exceptional Pupil Aid, Remedial Reading, Gifted, Fair Share Fund and County Foreign Insurance.

**DEPARTMENT OF ELEMENTARY AND SECONDARY EDUCATION
FY2007 BUDGET
SUMMARY OF GOVERNOR'S RECOMMENDATION**

FUNDING SOURCE
\$5,038,957,557



- ▼ General Revenue funding source includes funding for the State School Moneys Fund and Outstanding School Trust Fund;
- ▼ Other includes Excellence in Education Fund, Independent Living Fund, Part C Early Intervention Fund (First Steps), Board Operated Programs Trust Funds, Certification of Interpreters Fund, Commission for the Deaf and Hard of Hearing, Deaf Relay Service and Equipment Distribution Fund, Missouri Assistive Technology, and Assistive Technology Loan Fund.

**DEPARTMENT OF ELEMENTARY
AND SECONDARY EDUCATION
SUMMARY OF FY2007 BUDGET
INCREASE REQUESTS WITH
GOVERNOR'S
RECOMMENDATIONS**

**DEPARTMENT OF ELEMENTARY AND SECONDARY EDUCATION
FY2007 BUDGET
SUMMARY OF GOVERNOR'S RECOMMENDATION**

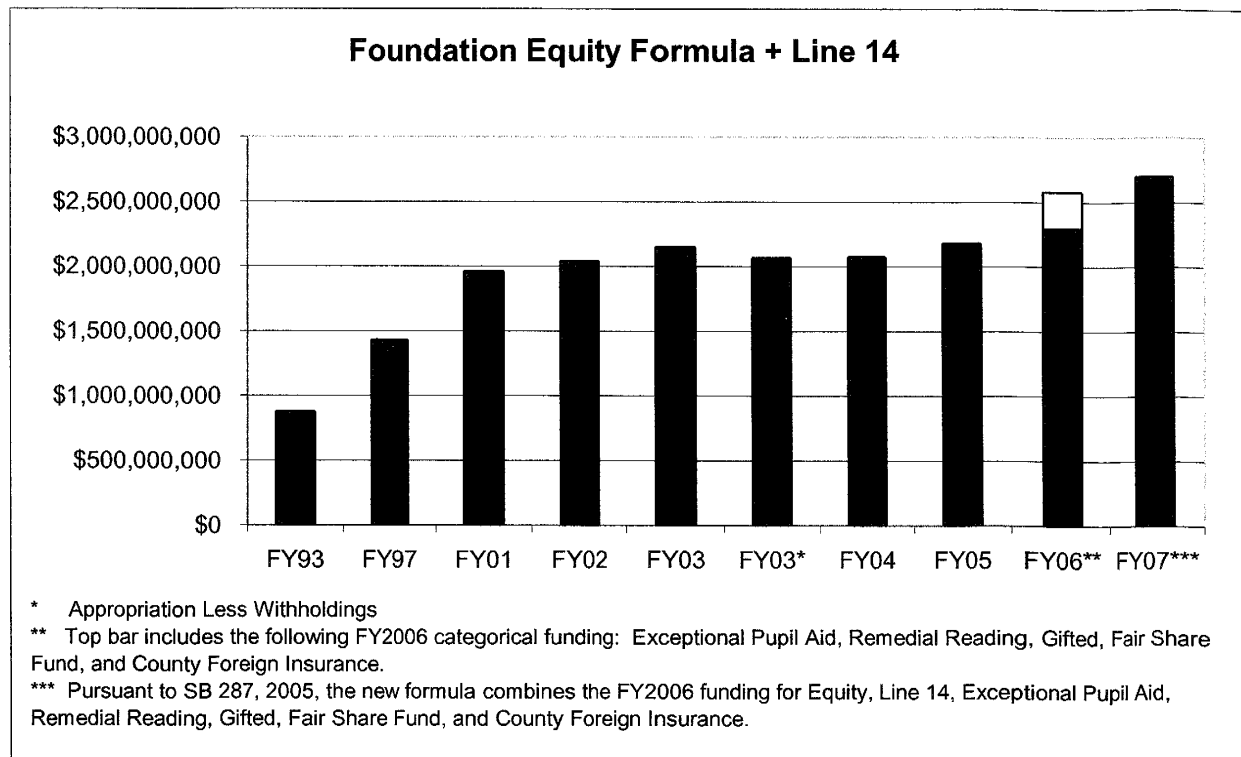
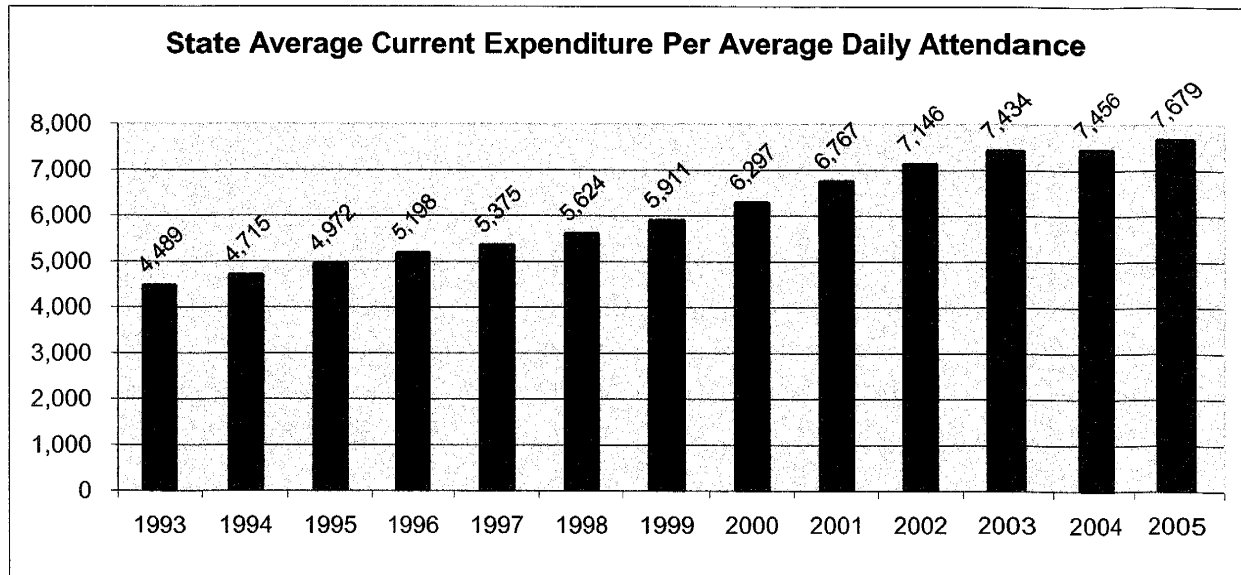
Key Outcome I

Increased percentage of students achieving the Show-Me Standards at targeted performance levels in the Missouri Assessment Program

✚ Foundation Equity Formula	\$122,168,662
✚ Small Schools Program	\$15,000,000
✚ County Foreign Spending	\$74,950,000
✚ Fair Share Fund Spending	\$23,400,000
✚ School District Trust Fund (Prop C)	\$21,600,000
✚ School Food Services	\$17,671,000
✚ Title VI, Part B – Federal Rural & Low Income	\$1,500,000
✚ Title III, Part A – Language Acquisition	\$2,600,000
✚ Character Education Initiatives	\$100,000
✚ Special Education Grants	\$5,000,000
✚ High Need Fund (formerly SHCPR)	\$6,060,000

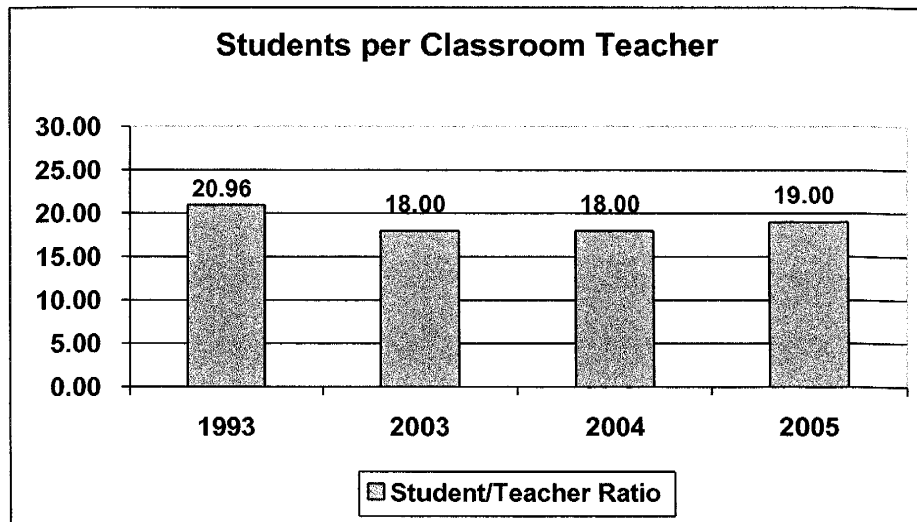
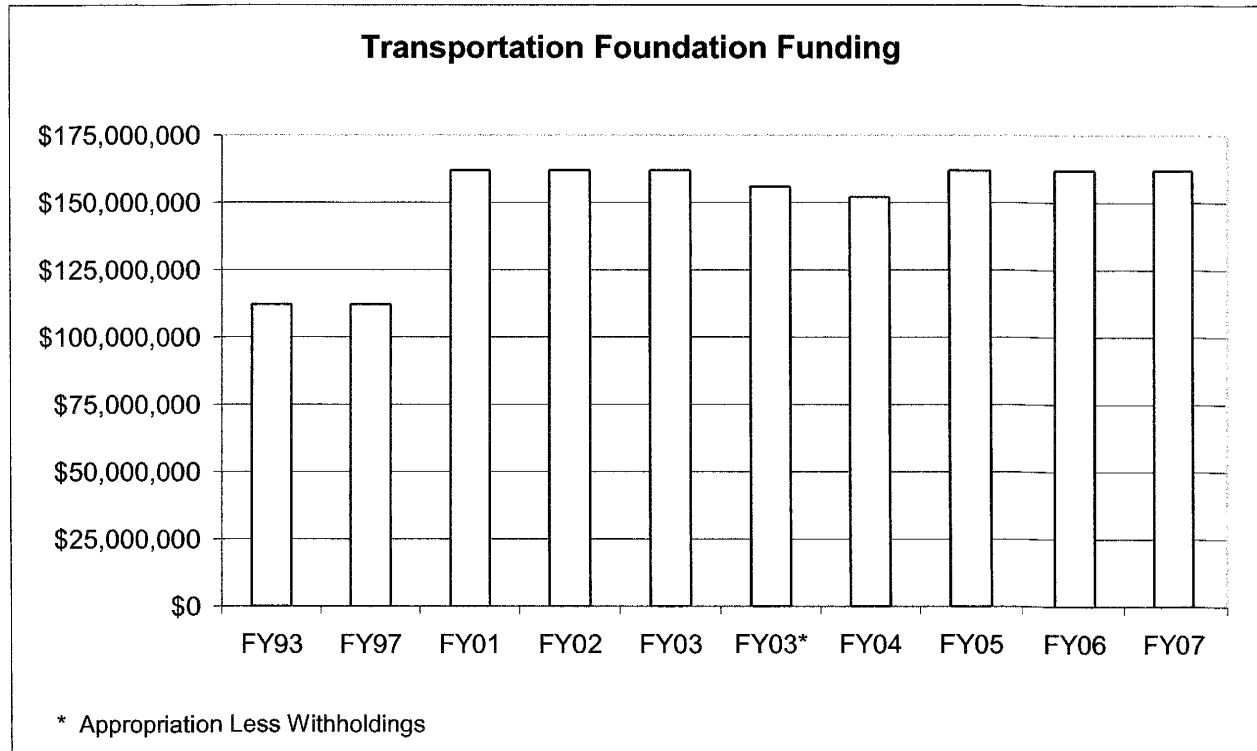
**DEPARTMENT OF ELEMENTARY AND SECONDARY EDUCATION
FY2007 BUDGET
SUMMARY OF GOVERNOR'S RECOMMENDATION**

Key Outcome I



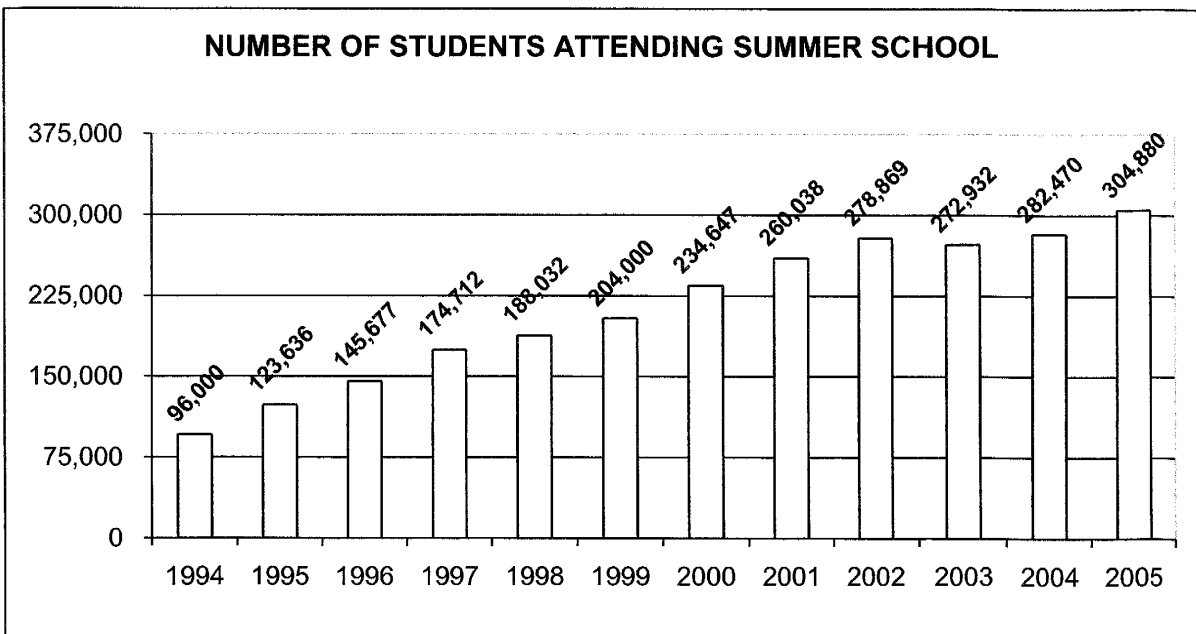
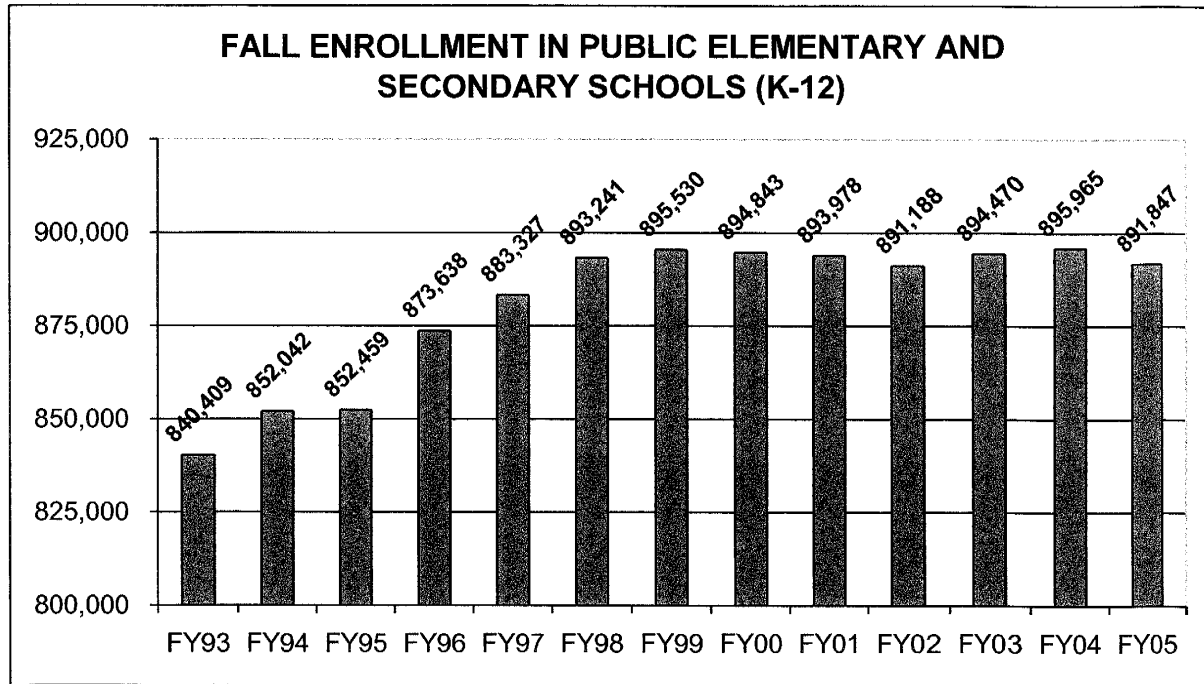
**DEPARTMENT OF ELEMENTARY AND SECONDARY EDUCATION
FY2007 BUDGET
SUMMARY OF GOVERNOR'S RECOMMENDATION**

Key Outcome I



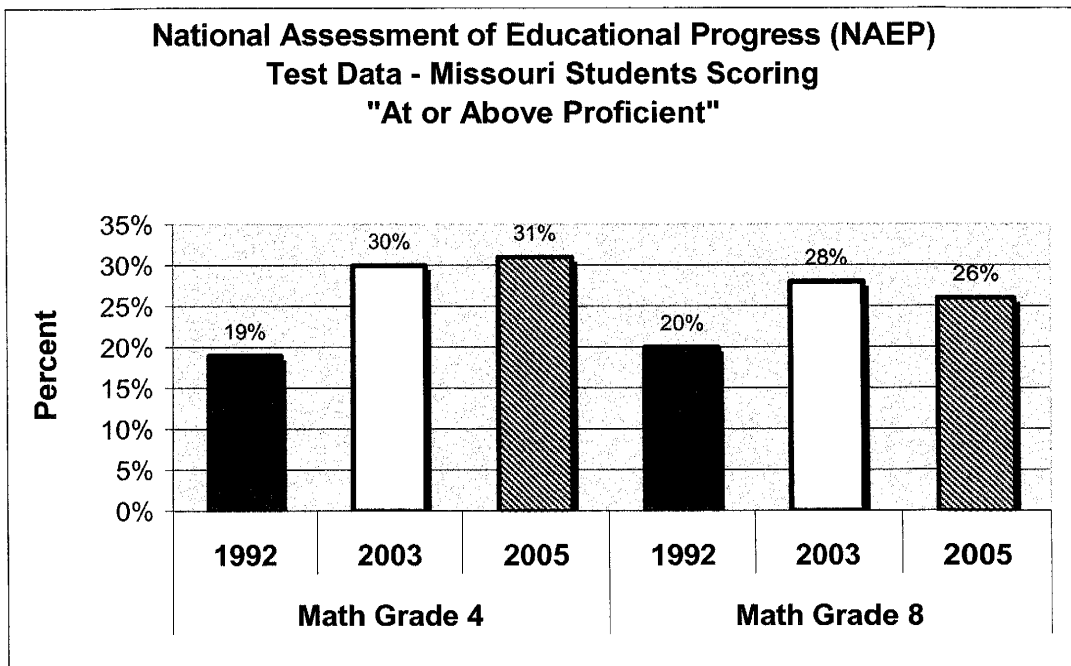
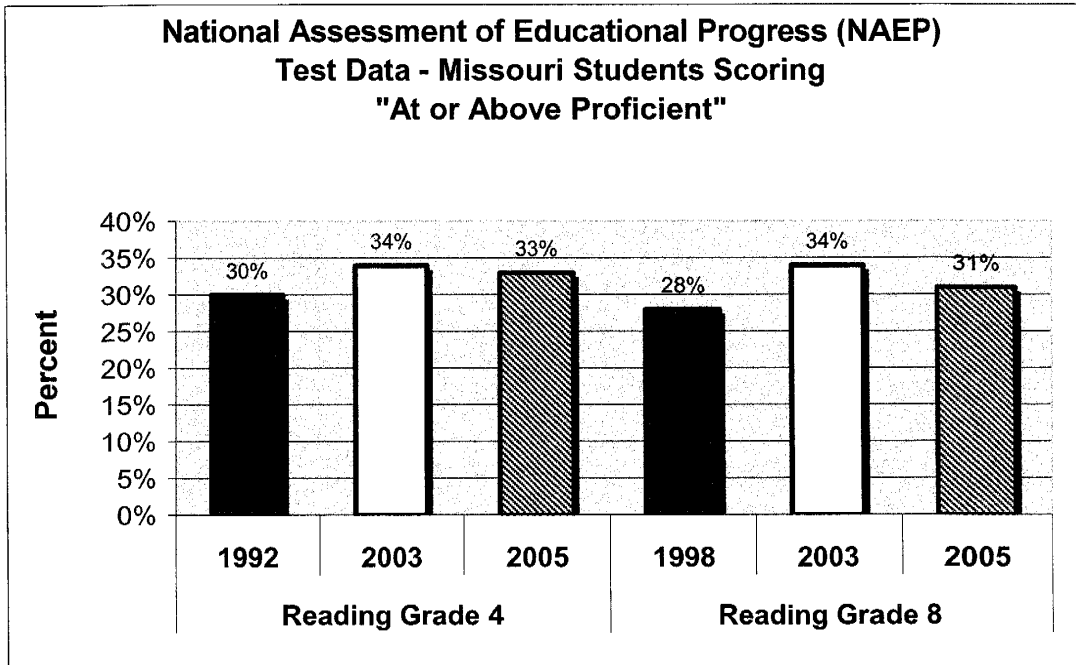
**DEPARTMENT OF ELEMENTARY AND SECONDARY EDUCATION
FY2007 BUDGET
SUMMARY OF GOVERNOR'S RECOMMENDATION**

Key Outcome I



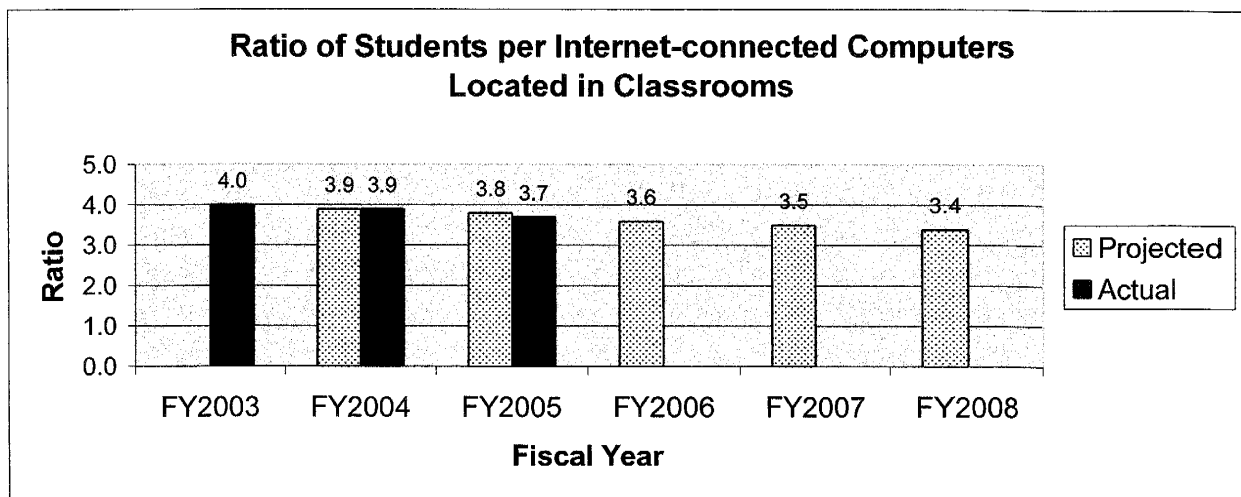
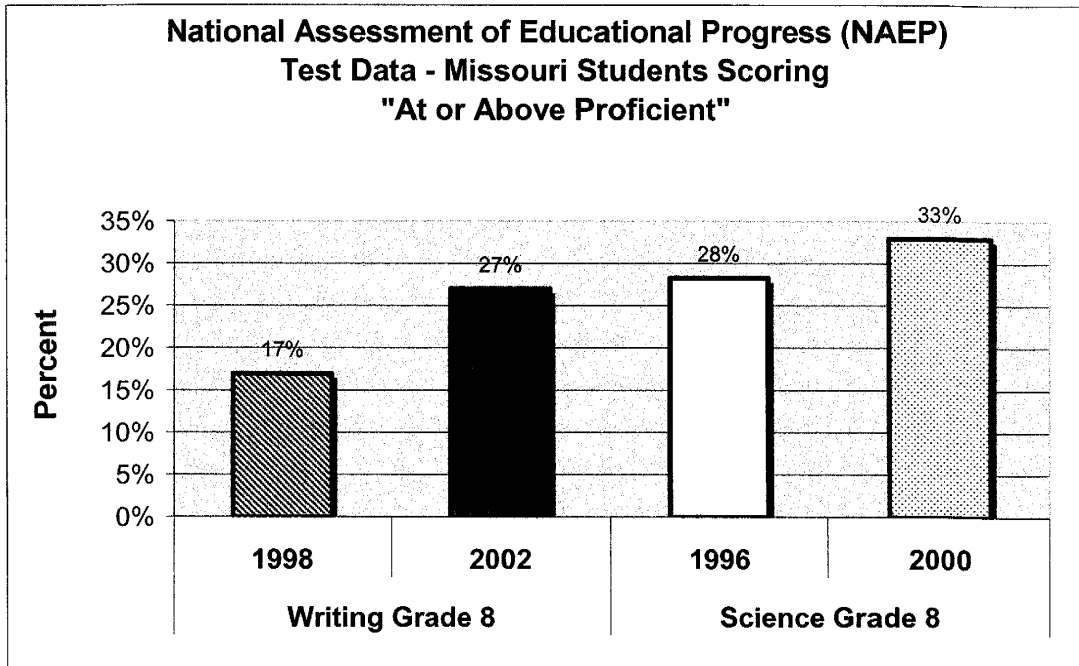
**DEPARTMENT OF ELEMENTARY AND SECONDARY EDUCATION
FY2007 BUDGET
SUMMARY OF GOVERNOR'S RECOMMENDATION**

Key Outcome I



**DEPARTMENT OF ELEMENTARY AND SECONDARY EDUCATION
FY2007 BUDGET
SUMMARY OF GOVERNOR'S RECOMMENDATION**

Key Outcome I



**DEPARTMENT OF ELEMENTARY AND SECONDARY EDUCATION
FY2007 BUDGET
SUMMARY OF GOVERNOR'S RECOMMENDATION**

Key Outcome II

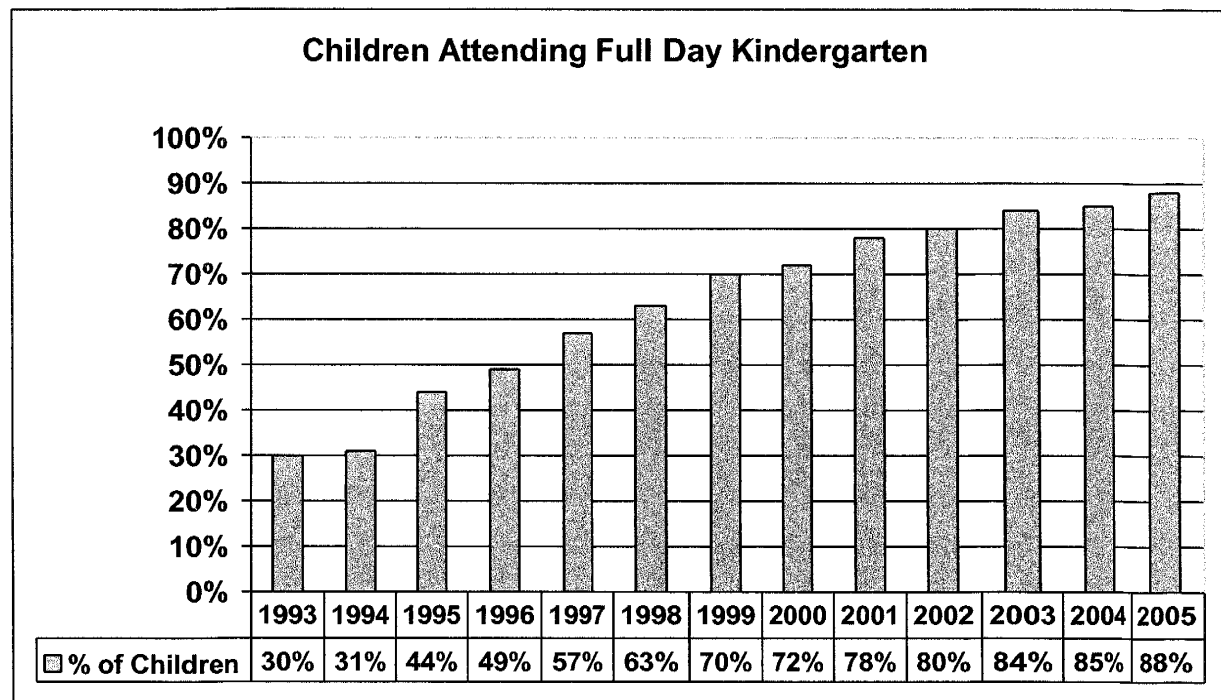
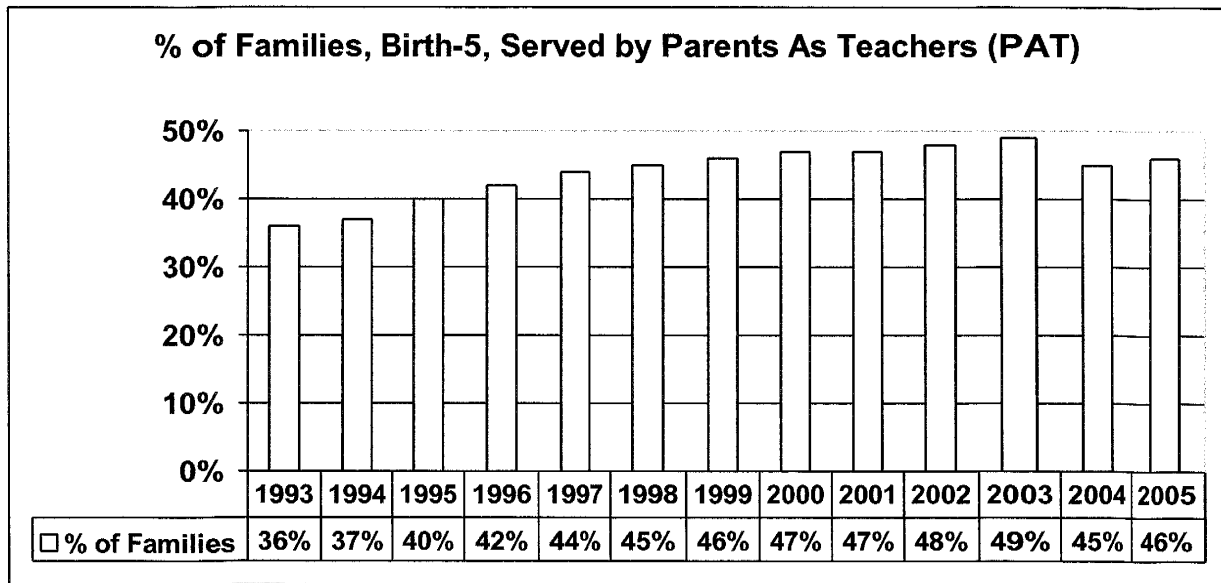
Increased percentage of children entering school ready to succeed

 Parents as Teachers Foundation	\$1,000,000
---	--------------------

 First Steps	\$1,950,000
--	--------------------

**DEPARTMENT OF ELEMENTARY AND SECONDARY EDUCATION
FY2007 BUDGET
SUMMARY OF GOVERNOR'S RECOMMENDATION**

Key Outcome II



**DEPARTMENT OF ELEMENTARY AND SECONDARY EDUCATION
FY2007 BUDGET
SUMMARY OF GOVERNOR'S RECOMMENDATION**

Key Outcome II



Note: Participation count includes children who are referred for evaluation and receiving services. This is an unduplicated count.

**DEPARTMENT OF ELEMENTARY AND SECONDARY EDUCATION
FY2007 BUDGET
SUMMARY OF GOVERNOR'S RECOMMENDATION**

Key Outcome III

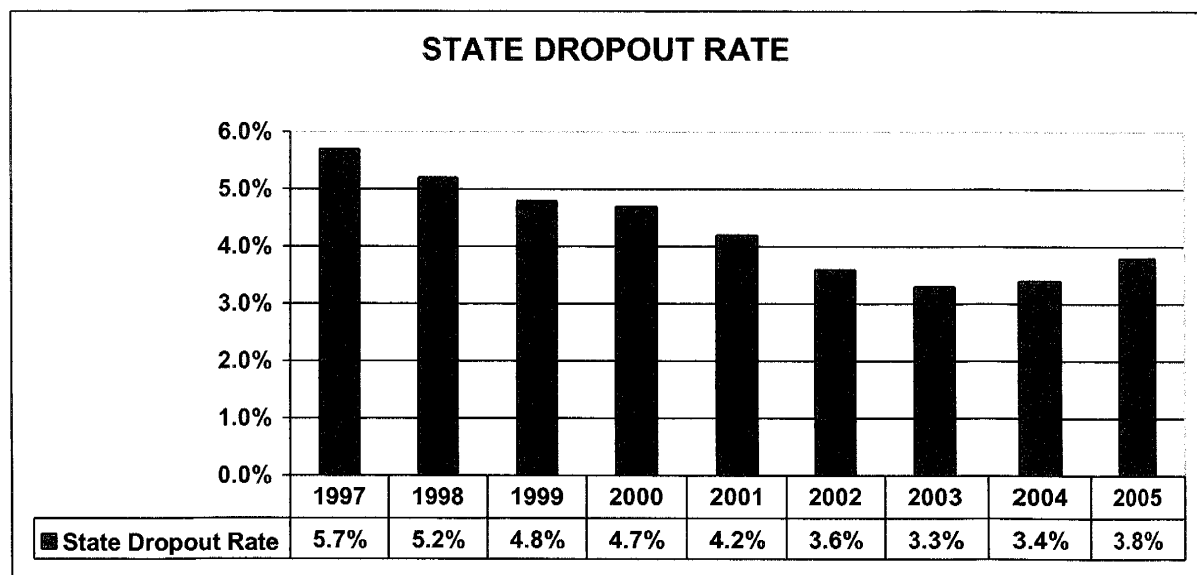
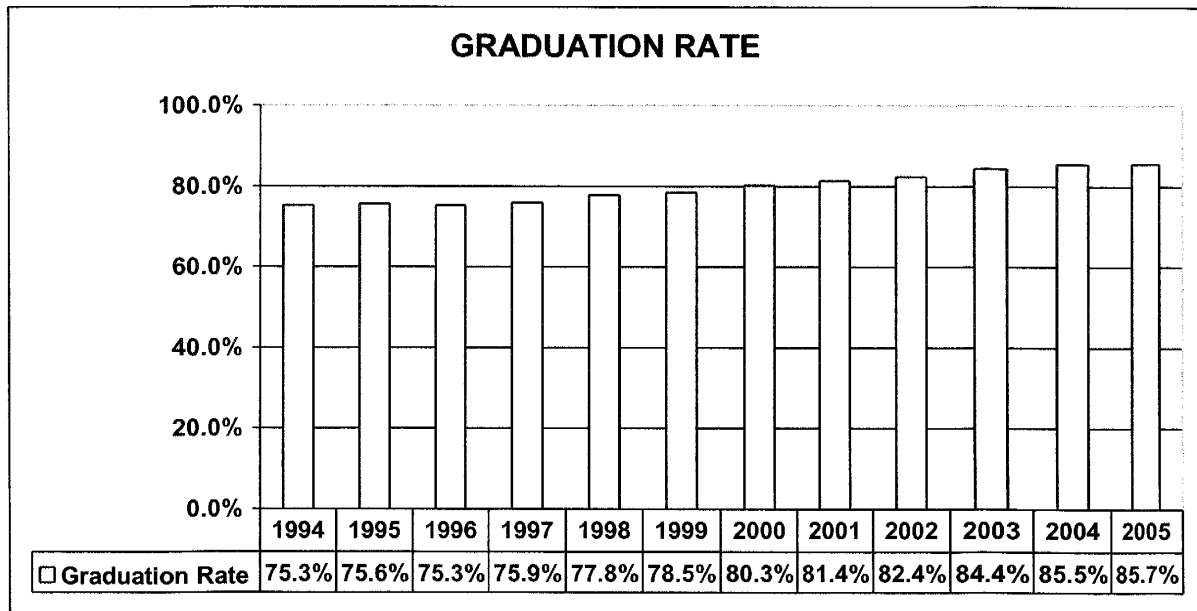
***Increased percentage of 18-year olds with a high school diploma or
GED (General Educational Development certificate)***

▼ A+ Schools

\$1,791,925

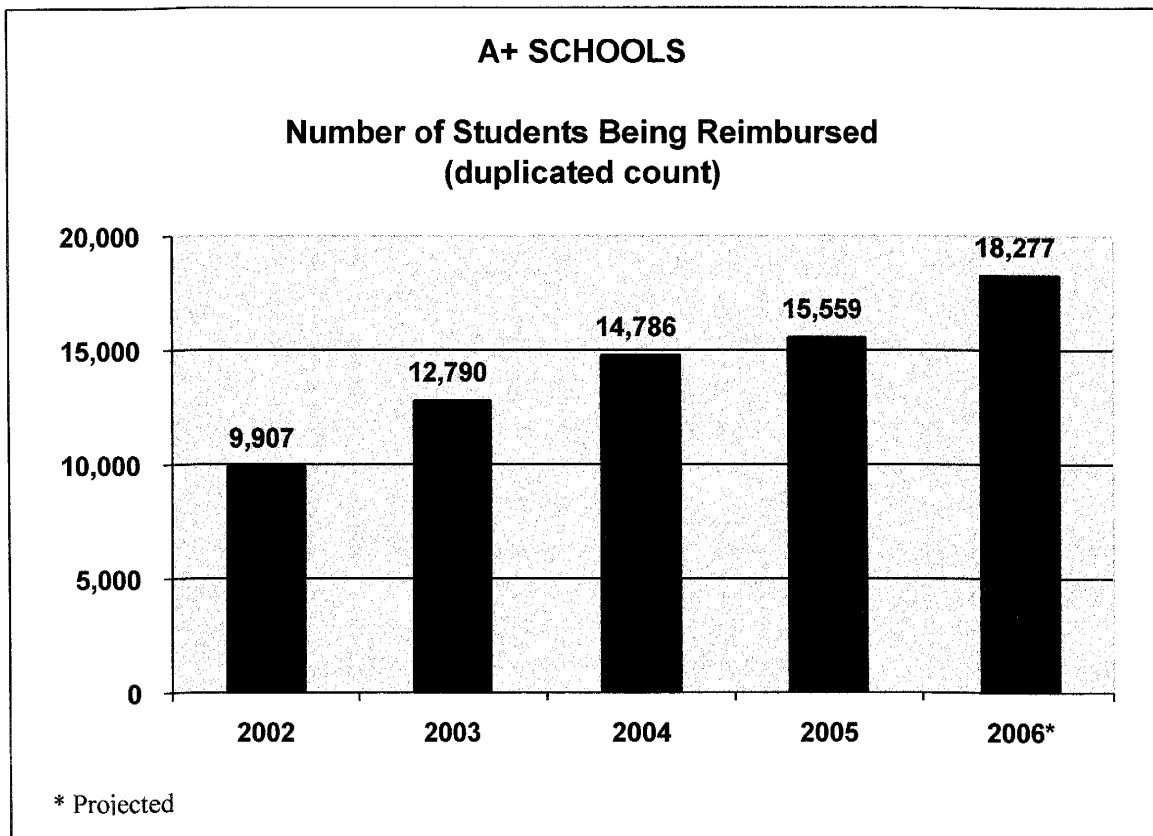
**DEPARTMENT OF ELEMENTARY AND SECONDARY EDUCATION
FY2007 BUDGET
SUMMARY OF GOVERNOR'S RECOMMENDATION**

Key Outcome III



**DEPARTMENT OF ELEMENTARY AND SECONDARY EDUCATION
FY2007 BUDGET
SUMMARY OF GOVERNOR'S RECOMMENDATION**

Key Outcome III



**DEPARTMENT OF ELEMENTARY AND SECONDARY EDUCATION
FY2007 BUDGET
SUMMARY OF GOVERNOR'S RECOMMENDATION**

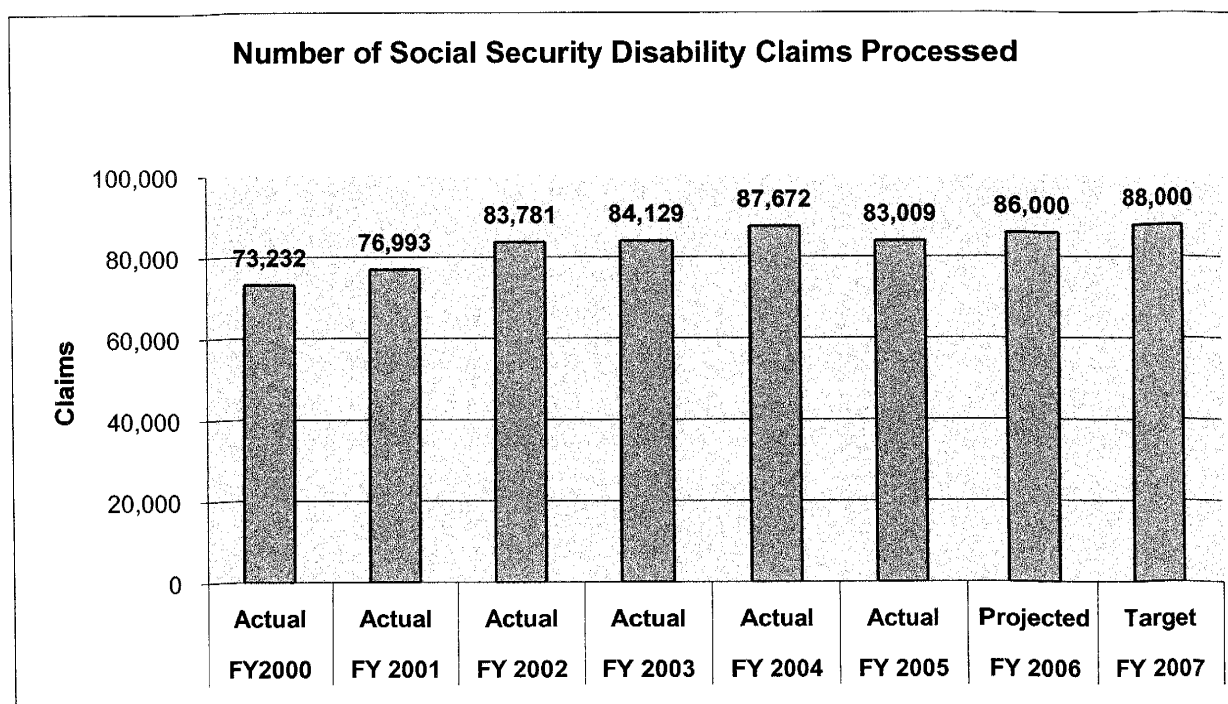
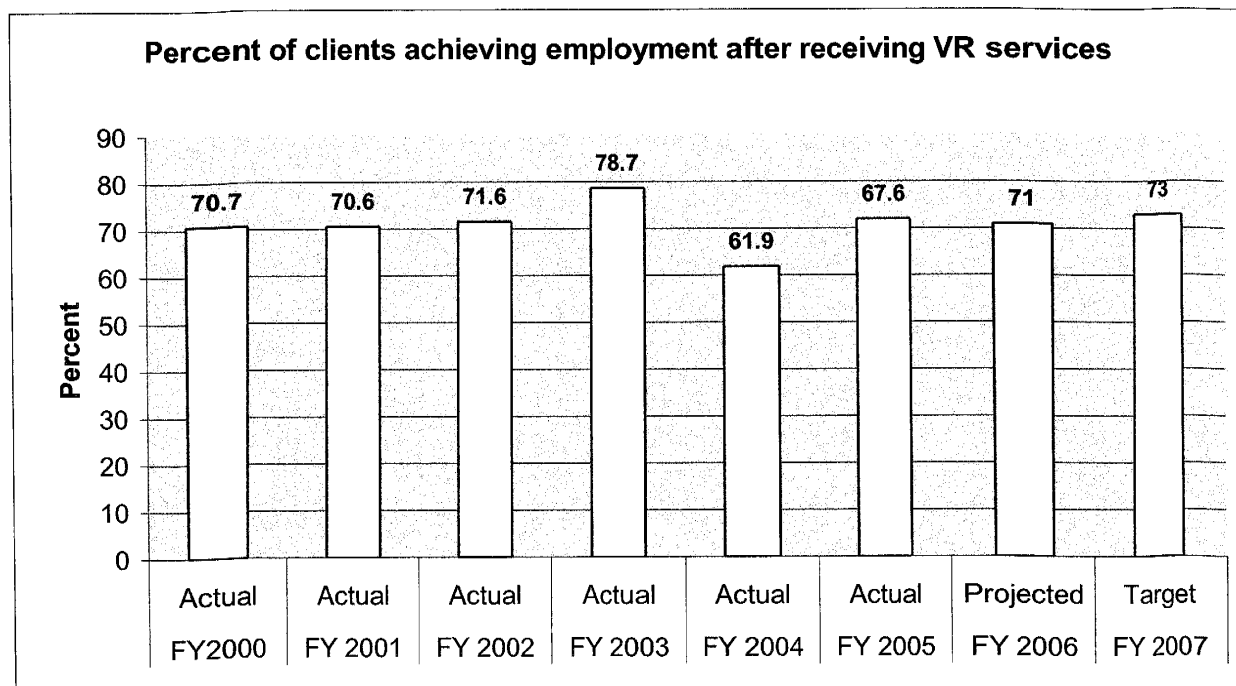
Key Outcome IV

Increased performance of career preparation, employment, workforce advancement, and independent living programs

➤ GR Match for Vocational Rehabilitation Grant	\$289,798
---	------------------



**DEPARTMENT OF ELEMENTARY AND SECONDARY EDUCATION
FY2007 BUDGET
SUMMARY OF GOVERNOR'S RECOMMENDATION**

Key Outcome IV

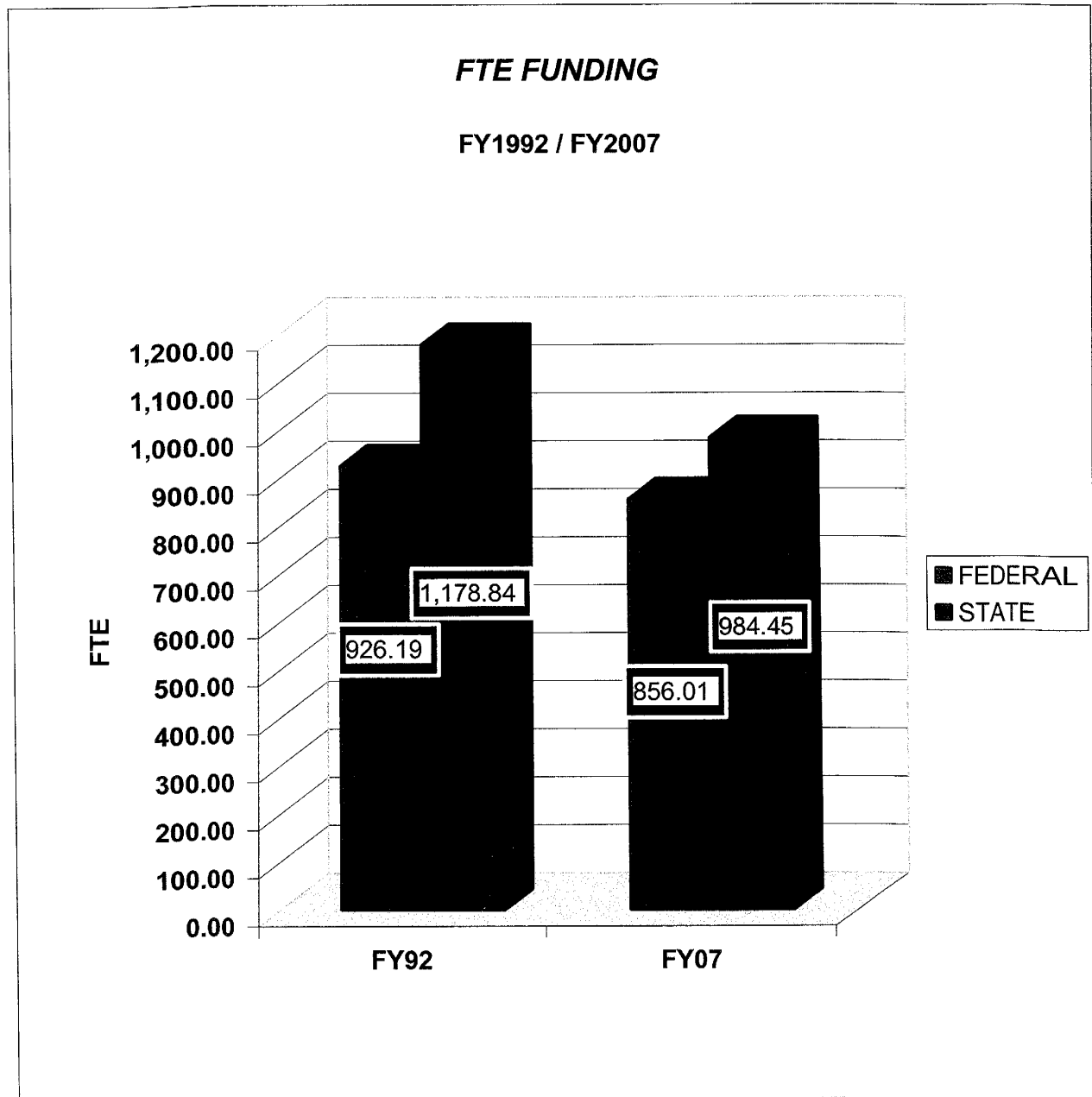


**DEPARTMENT OF ELEMENTARY
AND SECONDARY EDUCATION
DEPARTMENT OPERATIONS**

**DEPARTMENT OF ELEMENTARY AND SECONDARY EDUCATION
FY2007 BUDGET
SUMMARY OF GOVERNOR'S RECOMMENDATION**

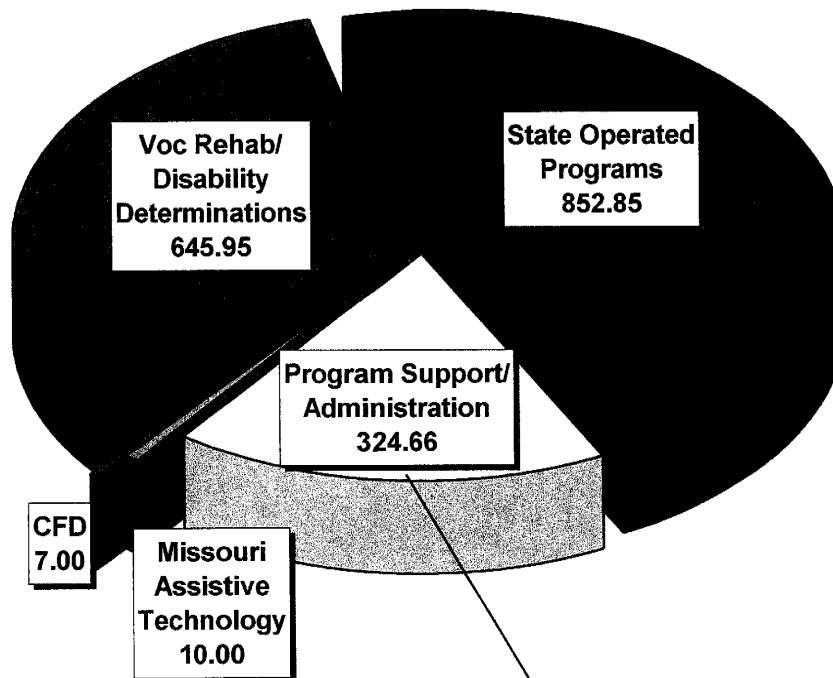
 General Structure Adjustment (Cost of Living)	\$2,705,711
 Two Step Repositioning	\$95,828

**DEPARTMENT OF ELEMENTARY AND SECONDARY EDUCATION
FY2007 BUDGET
SUMMARY OF GOVERNOR'S RECOMMENDATION**

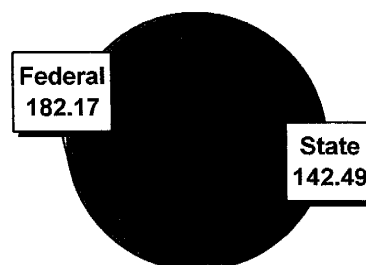


**DEPARTMENT OF ELEMENTARY AND SECONDARY EDUCATION
FY2007 BUDGET
SUMMARY OF GOVERNOR'S RECOMMENDATION**

FTE BY FUNCTION



**FTE FUNDING SOURCE
(PROGRAM SUPPORT/ADMINISTRATION)**



Note: Total FTE recommended is 1,840.46

DEPARTMENT EFFICIENCY REPORT

From FY 1996 - FY 2002, the Detailed Based Budget Review (DBBR) projects realized savings which included a net reduction of 34.59 FTE and \$1,337,098. Through FY 2003 and FY 2006, the Department has undertaken a rigorous review, in conjunction with the ongoing DBBR process, of its programs and services. In many instances we have consolidated, restructured, automated, or eliminated in order to gain efficiencies and cost savings. The following is a summary of some of the cost savings:

- (FY03-FY04) The procurement and accounting functions at the Missouri School for the Blind were consolidated into one central office. Savings included the elimination of 3 FTE at a cost, including fringes, of \$117,000.
- State Schools continues to evaluate bus routes as a cost savings effort. (FY03–FY06) Bus Routes at the State Schools for the Severely Handicapped, School for the Blind and School for the Deaf were restructured and/or eliminated for a savings of approximately \$1,000,000 per year.
- State Schools continues to rely mainly on the intranet and internet to advertise vacancies. (FY04–FY06) Changing the way State Schools for the Severely Handicapped advertises for staff positions (discontinue newspaper advertisements and rely on various electronic formats) has reduced historical advertising costs from approximately \$300,000 per year to less than \$20,000 per year, a savings exceeding \$250,000 per year.
- State Schools has changed phone services for an approximate \$3,000 savings.
- The Department has made a concerted effort to save mailing and printing costs, as well as to provide easy to find up-to-date information for customers on the web site, through continuing to automate applications and documents and to encourage staff to communicate with customers electronically through e-mail and Listservs. Mailing costs have decreased 53% (\$228,326) from FY2000 to FY2005, even though postal rates were increasing during this same time period. Printing costs have decreased 23% (\$86,000). DESE web site hits have increased from 3,009,524 in FY 1999 to 35,703,499 in FY 2005. DESE's application server site received 7,511,850 hits in FY 2005.
- (FY03-FY04) A review of telephone lines was conducted Department wide. Ninety-seven active lines were discontinued at a cost of \$17 per line per month. This review resulted in an annual savings of \$19,788.

- (FY03-FY04) Character Education and Safe Schools coordination have been consolidated. Savings include the elimination of 3 FTE at a cost, including fringes, of \$115,000.
- (FY04-FY05) The positions of Director of A+ Schools Programs and Charter Schools within the Division of School Improvement were consolidated. One of the Director positions was replaced with a Supervisor position. The positions of Educational Consultant for Social Studies and Assistant Director of Assessment were consolidated. Savings included the elimination of 2 FTE and \$52,622.
- (FY03-FY04) The Equity section within the Division of Teacher Quality and Urban Education has been consolidated with the Educator Recruitment and Retention section. Savings include the elimination of 2 FTE at a cost, including fringes, of \$112,000.
- (FY03-FY04) The Professional Conduct and Investigation section was combined with the Teacher Certification section within the Division of Teacher Quality and Urban Education to create the Educator Certification section. Savings include the elimination of 3 FTE at a cost, including fringes, of \$150,000.
- (FY05) When the Division of Career Education re-bid the GED scoring contract for Fiscal Year 2005, the amount per test scoring rate was reduced by \$.50 (from \$5.00 to \$4.50). This reduction will produce a savings of \$5,000 per year.
- (FY05) Due to legislation requiring all new employees who have contact with children to have fingerprint/background clearance, an increase in fingerprint clearances has occurred. There were 57,826 fingerprint clearances processed during FY 2005. This is an increase of 44,220 from FY 2004. This was done with less staff (FTE) in the Professional Conduct and Investigation section. In addition, with the current staffing level in educator certification, 1,377 more licenses were issued in FY05 than in the prior year.
- (FY05) The Professional Development Section placed the Gold Star Booklet on DESE's website. This has decreased the printing and mailing cost, a savings of \$15,000.

DEPARTMENT OF ELEMENTARY AND SECONDARY EDUCATION FY2007 CORE ADJUSTMENTS

DESE's Recommended Core Reductions

✚ Court Ordered Payments – Desegregation Settlement	\$1,000,000
✚ Vehicle Request	\$109,110
✚ Foundation – Career Ladder	\$400,000
✚ School Food Services – GR	\$75,648
✚ Teacher Quality Administration – Federal Reduction	\$194,375
✚ Federal Advanced Placement	\$387,250
✚ National Board Supplemental	\$10,000
✚ Transition to Teaching	\$750,000
✚ Commission for the Deaf – Federal EE	<u>\$47,000</u>

TOTAL - DESE's Recommended Core Reductions **\$2,973,383**

Recommended Core Transfers Out

(Transfer Due to IT Consolidation)

✚ Administration Operations – GR/Federal/Lottery PSEE (.20 FTE)	\$1,585,250
✚ State Schools – GR EE/PS (2.00 FTE)	\$177,416
✚ School Improvement/Career Ed/Spec Ed – Federal EE	\$94,959
✚ Vocational Rehabilitation – Federal EE	<u>\$177,956</u>
	\$2,035,581
	2.20 FTE

(Transfer to OA Budget)

✚ IT Consolidation – GR PS (15.90 FTE)	\$546,142
✚ IT Consolidation – VR Federal PS (12.00 FTE)	\$543,288
✚ IT Consolidation – Federal PS (14.90 FTE)	\$614,702
✚ IT Consolidation – GR EE	\$174,045
✚ IT Consolidation – VR Federal EE	\$268,444
✚ IT Consolidation – Federal EE	\$597,856
✚ IT Consolidation – Certification of Interpreters Fund EE	\$8,000
✚ IT Consolidation – Lottery EE	\$57,284
✚ IT Consolidation – Revolving Fund EE	\$5,000
✚ IT Consolidation – MO Comm Deaf & Hard of Hearing	<u>\$1,000</u>
	\$2,815,761
	42.80 FTE

**DEPARTMENT OF ELEMENTARY AND SECONDARY EDUCATION
FY2007 CORE ADJUSTMENTS
(CON'T.)**

(Transfer Due to OA Leasing – Janitorial & Utility)

✚ Board Operated Schools	\$62,358
✚ Vocational Rehabilitation – Federal EE	<u>\$431,360</u>
	\$493,718

TOTAL –Recommended Transfers Out	\$5,345,060
	45.00 FTE

Recommended Transfers In

✚ Missouri Assistive Technology (10.00 FTE)	\$3,489,149
✚ Children’s Service Commission	<u>\$10,000</u>

TOTAL –Recommended Transfers In	\$3,499,149
	10.00 FTE

Governor’s Recommended Core Reductions

✚ School Improvement Admin PS (2.00 FTE)	\$82,596
✚ Career Education Admin PS (2.00 FTE)	\$0
✚ Teacher Quality and Urban Education Admin PS (2.00 FTE)	\$0
✚ Vocational Rehabilitation Admin PS (12.00 FTE)	<u>\$0</u>

TOTAL Governor’s Recommended Core Reductions	\$82,596
	18.00 FTE